



IASB

Iowa Association of
School Boards
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April 28, 2010

The Honorable Senator Richard Olive, Chairperson, Government Oversight Committee
The Honorable Representative Vicky Lensing, Chairperson, Government Oversight Committee

State Capitol Building
East 12th and Grand
Des Moines, IA 50312-1417

The Iowa Association of School Boards would like to provide you with the remainder of the documents you have requested, and a few additional pieces of relevant information prior to the April 29 hearing. IASB has tried to work in cooperation with you, has made available to you every current staff member whose presence you have requested, as well as the IASB Board of Directors. If there is anything additional you need from us, please let us know. We hope to be able to soon turn the page at the organization and move forward. IASB has a long history of serving schools and providing tremendous services to them, and now that we have addressed some pressing oversight and operational issues and created additional controls, hope to move forward and continue that work.

The Board of Directors has taken several notable steps over the past month to ensure tighter oversight in the future, and has received positive initial reports from investigators and the auditors, who hope to complete all their work by early May. Key pieces of information include:

- IASB's financial advisers and auditors, in their initial reports to the board, have identified that other than the unauthorized salary increase for the former executive director and the inappropriate credit card charges by the former CFO, there is *no evidence* of any criminal fraud or misuse of money in any IASB programs.
- IASB repaid the double drawdown on the federal Skills Iowa grant. Investigators found that this was a true mistake that occurred due to staff turnover, and there does not appear to have been any ill intent on the part of the new staff member. The total amount, \$493,932, was repaid on April 14, 2010.
- The Board updated its travel and credit card policies to ensure tighter oversight and appropriate use of dollars, and has also adopted two additional policies recently: one creates a Board audit committee that will meet at least quarterly, and the other requires the Board to approve the salaries of all staff, as well as any mid-year salary adjustments.

- The Board has accepted the resignation of two members: Jack Hill, past president, who served on the Board of eight years; and Bill Morain, treasurer, who came onto the Board as treasurer in January.
- The Board is in the midst of hiring a new interim executive director, and hopes to have an announcement in the next several days. IASB staff member Harry Heiligenthal stepped in as an emergency interim director, but also has a full-time job to do training boards in the field. In addition, due to the lack of an executive team at the current time, the Board feels it is necessary to get a person in place who can devote the necessary time to rebuilding IASB. Because they are not currently prepared to take on an extensive search process, they opted to hire an interim for the next several months and will hire someone permanently at a later date. They contacted respected colleagues for recommendations, including the School Administrators of Iowa, and also considered people who stepped forward and showed interest in the job. They interviewed four people and are now doing thorough background and reference checks.
- Now that internal investigations and audits are winding down, IASB will begin a significant member outreach effort, to ensure we have answered members' questions and to get their input on where the association should go moving forward. We will also compile a "Lessons Learned" piece to help educate other school boards and similar entities, to emphasize best practices.

Enclosed you will find the following exhibits. Please let us know if you have additional questions.

1. New and Revised Board Policies
2. Skills Iowa Grant Repayment
3. Whistleblower Complaint Information
4. IASB Board Members and Years of Service
5. IASB Programs and Services List, with Costs
6. IASB Job Descriptions
7. Explanation of Related Entities and PPT
8. IJUMP Explanation
9. IASB/LGS "Loan" Explanation
10. Credit Card Authorizations
11. Dues/Expenditures Graphic
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Thank you.